



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

For Immediate Release—January 5, 2009

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Use the New Year to Improve Personal Financial Skills

MONTPELIER, Vt.—As Vermonters look toward 2009 and their newly made New Year's resolutions, it's a safe bet that many of those resolutions focus on personal finances. A recently released list by USA.gov showed that managing debt and saving money were among the most popular topics for New Year's resolutions.

"There's no question that 2008 was a terrible year financially for many Vermonters," said State Treasurer Jeb Spaulding. "The new year offers all of us an opportunity to rethink our financial goals and consider where we might improve our personal money management skills."

The present economic challenges also can provide the motivation many need to make financial changes they wouldn't have otherwise considered. While most Vermonters would acknowledge that it's a good idea to have a household budget, a National Foundation for Credit Counseling study showed only a minority of Americans actually keep close track of what they spend on a monthly basis.

"I've yet to meet anyone who looks forward to regularly balancing their checkbook, tracking expenses or reviewing their budget—if they have one," said Lisa Helme, the director of financial literacy for the Treasurer's Office. "However, I've spoken with many people who describe a real feeling of accomplishment after they've built such financial practices into monthly habits. The knowledge gained gives them a sense of control over their finances and the means to make their money work for them."

Key to tackling debt and putting more money away is gaining the knowledge and skills to begin positively addressing these areas and then transferring that information into a regular routine.

The Treasurer's Office recommends Vermonters consider the following steps to begin evaluating their personal financial picture.

- List all monthly set expenses such as mortgage or rent, car payment, utility expenses, and required revolving credit charges.
- For one month, track spending by writing down all purchases to identify where income is going for non-set expenses.
- Use the tracking information and total up non-set expense areas such as food, clothing, and miscellaneous items.
- List and total up all monthly income sources.
- Compare income to expenses and determine whether changes are warranted.
- Carefully examine all debts, particularly credit card debt, and consider ways to cut other spending to devote more funds to paying off this debt.
- Equally consider past savings decisions and determine whether more income can be put away for emergencies, retirement, or for specific goals.

“After examining the personal financial materials you’ve assembled, talk with your immediate family about what you’ve learned. Such discussions can help teach your children about money management,” explained Helme. “If your circumstances are currently difficult, talking about it can help the family understand if you must cut back on expenses and will allow you to support each other.”

If personal debt is of particular concern, talking with a credit counseling organization could be a big help in achieving a New Year’s resolution regarding managing debt. Reputable organizations can offer advice on managing money and debts, provide assistance creating a budget, and offer educational materials and workshops. Vermonters can find information on evaluating a credit counseling agency by going to the U.S. Federal Trade Commission web site at ftc.gov and selecting the “Credit and Loans” listing under the Quick Finder section.

“Vermont is fortunate to have organizations statewide that are already offering workshops and information on personal money management,” said Spaulding. “The Vermont Financial Education Resource Clearinghouse on my office web site allows Vermonters to search in their local area for resources.”

The clearinghouse and other money management information are available from the State Treasurer’s Office by going to www.MoneyEd.Vermont.gov.

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